

Rough Draft of Fund Source Ideas

	Cash	Debt Financed	Notes:
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Impaired Trust Revenues:

Trust Revenues Received that are Funding Non-Trust Purposes	Subsidy of DNR Administrative Costs that should be allocated to Non-Trust Accounts		
	Charge higher fees or get larger proportion of Discover Pass revenue to pay for the cost of maintaining recreational access.		
Foregone Trust Revenues resulting from the pursuit of non-trust purposes	Rotation that exceeds optimum rotation for volume production and intergenerational equity should be paid for with other source (carbon)		PS Note: Optimum from a short term cash flow perspective is shorter than culmination of mean annual increment, which means DNR would short-change the beneficiaries on total volume available to harvest over time. Furthermore, any financial calculation using a positive Net Present Value means that the interests of the current generation are valued higher than any future generation, and that in principle violates the requirement of intergenerational equity. In addition, climate impacts will be expensive so not optimizing carbon sequestration will also have a cost on future generations, potentially including the ability of the lands to support timber production.
	Parts of stands not cut due to local political pressure should be paid for with habitat and recreation fund sources		
	Grazing lands with low lease rates that are promoting the industry and wildlife objectives should be paid for with economic development and habitat fund sources		

Opportunities to Enhance Trust Revenues:

	Cash	Debt Financed	Notes:
Green Energy Leases and partnerships	Sell low performing assets and reinvest in Green Energy assets; or use low revenue open lands to lease for green energy	Incur debt to add land and infrastructure to support Green Energy	All of these debt options could be jump started in the near future by taking advantage of low Federal Treasury bond rates. Private companies are taking on debt right now to finance a wide variety of activities because the cost of that debt is very cheap - 1.6%
Clean Water Funds to pay for timberland functions to preserve clean water	Grants and Loans from the clean water account in Dept. of Ecology		
Irrigated Agriculture	Sell low performing assets and reinvest in irrigated agriculture	Incur debt to add infrastructure and water rights to support irrigated agriculture	
Commercial/Residential/Industrial	Develop existing urban land parcels with private developers	Develop existing urban land parcels with debt	
Improve Timber Harvests	Allocate adequate silvicultural budget for ongoing needs	Incur debt for silvicultural backlog	
Acquire more timberland to replace murrelet habitat protected beyond the BNR's preferred Alternative	Sell carbon credits for protections beyond regulatory requirements using currently functioning carbon markets; use any future carbon revenue from carbon pricing programs enacted by the state.	Incur low interest debt through a few different approaches to bonding: 1) take advantage of current low 10 year Treasury bond rates; 2) use existing state bonding authority; 3) create new "green" bonds for issued for climate-related resilience natural infrastructure, can be public/private partnership. 4) Clean Water Act Revolving loan program through Dept. of Ecology.	
Improve Timber Revenues	Seek carbon-related revenues in exchange for extended rotation and other forest practices beyond regulatory minimums. Can use existing carbon markets driven by both regulatory demand (e.g. California) or the voluntary market.		

Summary of Sources:

Existing or future carbon related revenue
Recreation, habitat and economic development sources to replace trust revenue uses for these purposes.
Reverse improper allocation of DNR admin costs to trust accounts
Bonds to be paid back with future revenue
Bonds to be paid back from other sources